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District of Columbia Business Owners: 2012

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Introduction

The U.S. Census Bureau Survey of Business Owners (SBO) collects data from employer and non-Employer businesses and does not distinguish between U.S. residents and nonresidents. Companies owned by foreign governments or owned by other companies, foreign or domestic are included in the category “Publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status.”

This report presents the number of businesses, demographic characteristics of business owners, employer status, employment size of businesses, and businesses by industry in the District of Columbia in 2012. It also highlights changes between 2007 and 2012. The data for this report are from the 2007 and the 2012 Survey of Business Owners (SBO) conducted by the U.S. Census Bureau.

Definition

Non-employer Business: A non-employer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries) and is subject to federal income taxes. Most non-employers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner’s principal source of income.

Highlights of Businesses in the District of Columbia

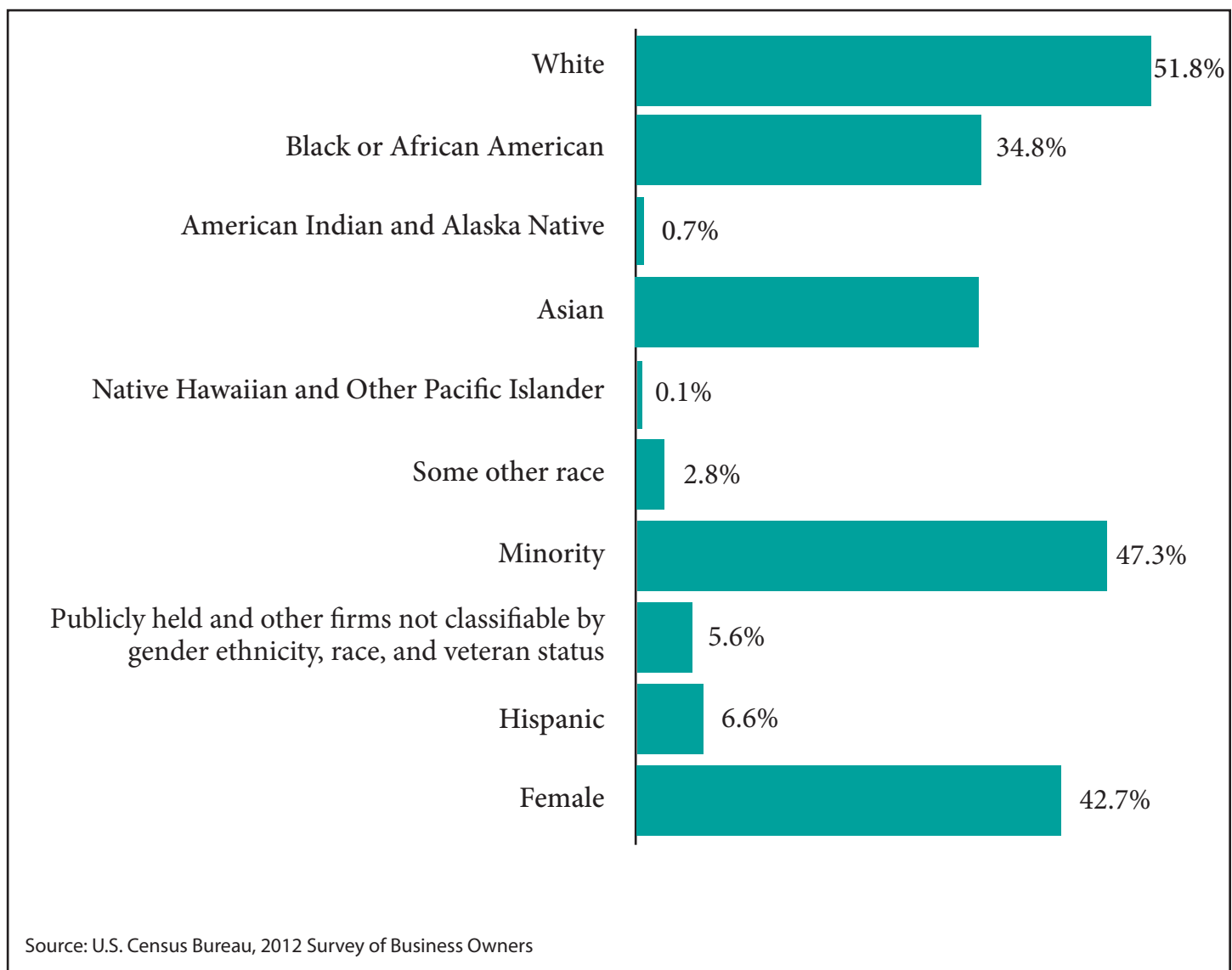
- In 2012, 21.9 percent of businesses in the District were employer businesses and 78.1 percent were non-employer businesses.
- Fifty-two percent of businesses in the District in 2012 were white-owned and 35 percent were black-owned.
- In 2012, Asian-owned businesses had the highest percentage of employer businesses at 45.6 percent, followed by White-owned businesses (22.6 percent), and Hispanic-owned businesses (10.6 percent).
- Of the 13,913 employer businesses in District in 2012, more than half (52.7 percent) had fewer than 10 employees.
- In 2012, more than one-fourth (28.8 percent) of businesses in the District operated in professional, scientific, and technical services industry group.
- The total number of businesses in the District increased by 13.5 percent between 2007 and 2012.
- Between 2007 and 2012, the number of women-owned businesses in the District increased by 40.3 percent and the number of Black or African American-owned businesses increased by 40.2 percent.
- White-owned businesses slightly increased by 1.4 percent between 2007 and 2012, while American Indian and Alaska Native-owned businesses declined by 10.3 percent.

Businesses by Demographic Characteristics of Business Owners: 2012

In 2012, there were 63,408 businesses in the District of Columbia. As shown in Figure 1, 51.8 percent were White-owned businesses, 34.8 percent were Black or African American-owned businesses, and 6.3 percent were Asian-owned businesses. American Indian and Alaska Native-owned businesses and Native Hawaiian and Other Pacific Islander-owned businesses accounted for 0.7 percent and 0.1 percent of all District of Columbia businesses, respectively.

In 2012, Minority-owned businesses made up 47.3 percent and women-owned businesses represented 42.7 percent of all District of Columbia businesses and the share of Hispanic-owned businesses was 6.6 percent. About 5.6 percent of businesses in the District were public held and other firms not classifiable by gender, ethnicity, race, and veteran status.

Figure 1. District of Columbia Businesses by Demographic Characteristics of Business Owners: 2012



Businesses by Employer Status: 2012

Of the total 63,408 businesses in the District in 2012, 13,913 businesses (21.9 percent) were employer businesses and 49,495 businesses (78.1 percent) were non-employer businesses. The employer businesses employed 431,602 people and their payrolls totaled \$29 billion.

In 2012, Asian-owned businesses had the highest percentage of employer businesses at 45.6 percent, compared with White-owned businesses (22.6 percent), American Indian and Alaska Native-owned businesses (10.5 percent), and Black or African American-owned businesses (6.5 percent). In 2012, 12.5 percent of Minority-owned businesses were employer businesses and Hispanic-owned businesses and Women-owned businesses had 10.9 percent and 9.8 percent of employer businesses, respectively.

As shown in Table 1, White-owned employer businesses employed 111,144 people, accounting for 25.8 percent of all jobs created by all employer businesses in the District in 2012. Black or African American-owned employer businesses hired 19,873 people and Asian-owned employer businesses hired 14,692 people, contributing to 4.6 percent and 3.4 percent of all jobs created, respectively.

Minority-owned employer businesses hired 42,810 people and contributed to 9.9 percent of all jobs created by all employer businesses in the District in 2012. Similarly, Women-owned employer businesses hired 26,619 people and contributed to 6.2 percent of all jobs and Hispanic-owned employer businesses hired 8,087 people and contributed to 1.9 percent of all jobs created by all employer businesses in the District in 2012.

Table 1. District of Columbia Businesses by Employer Status: 2012

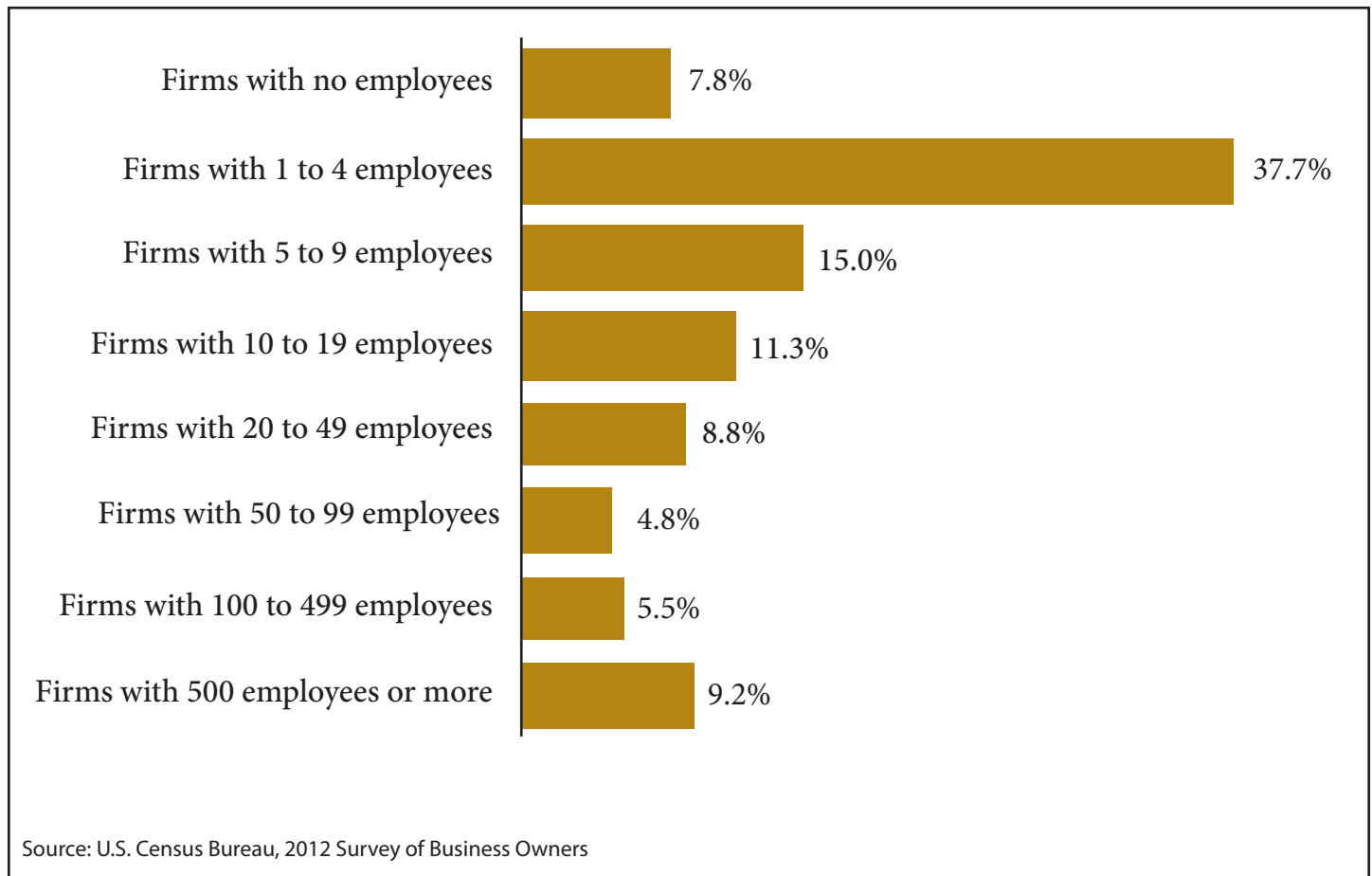
Demographic Characteristics	Employer and Non-Employer Businesses	Employer Businesses				Non-Employer Businesses	
		Number	%	Number of Paid Employees	Annual Payroll (\$1,000)	Number	%
All firms	63,408	13,913	21.9	431,602	29,113,925	49,495	78.1
White	32,850	7,429	22.6	111,144	6,325,552	25,421	77.4
Black or African American	22,097	1,439	6.5	19,873	690,540	20,657	93.5
American Indian and Alaska Native	455	48	10.5	396	23,067	408	89.7
Asian	3,974	1,811	45.6	14,692	492,510	2,163	54.4
Native Hawaiian and Other Pacific Islander	57	0	0.0	0	0	57	100.0
Some other race	1,752	119	6.8	1,144	56,008	1,634	93.3
Minority	29,983	3,744	12.5	42,810	1,500,171	26,239	87.5
Publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status	3,566	3,057	85.7	283,848	21,480,369	509	14.3
Hispanic	4,169	455	10.9	8,087	298,726	3,714	89.1
Female	27,064	2,652	9.8	26,619	1,166,234	24,412	90.2

Source: U.S. Census Bureau, 2012 Survey of Business Owners

Employer Businesses by Employment Size: 2012

In 2012, there were 13,913 employer businesses in the District of Columbia. As shown in Figure 2, employer business with fewer than 10 employees had the largest share (52.7 percent) in 2012, 37.7 percent of employer business hiring up to 4 people and 15 percent of employer businesses hiring 5 to 9 people. Employer businesses with 10 to 99 people accounted for 24.9 percent and employer businesses with 100 to 499 employees represented 5.5 percent of all employer businesses in the District in 2012. Employer business with 500 or more employees accounted for 9.2 percent and 7.8 percent of employer businesses in the District had no employees in 2012.

Figure 2. District of Columbia Employer Businesses by Employment Size: 2012



Businesses by Industry: 2012

In 2012, the top five industries in the District of Columbia were professional, scientific, and technical services (28.3 percent), health care and social services (10 percent), real estate and rental and leasing (8.6 percent), art, entertainment and recreation (7 percent), and administrative and support and waste management and remediation services (6.6 percent).

In 2012, sales and receipts generated from finance and insurance industry group accounted for more than half (57 percent) of all sales and receipts generated by all industries. Sales and receipts generated from professional, scientific and technical services industry group accounted for the second highest proportion at 16.3 percent (Table 2).

Table 2. District of Columbia Businesses by Industry: 2012

Industry	Businesses		Sales and Receipts	
	Number	Percent	(\$1,000)	Percent
Total for all sectors	63,408	100.0%	205,091,146	100.0%
Professional, scientific, and technical services	17,935	28.3%	33,369,712	16.3%
Health care and social assistance	6,333	10.0%	8,978,267	4.4%
Real estate and rental and leasing	5,427	8.6%	3,665,410	1.8%
Arts, entertainment, and recreation	4,466	7.0%	1,152,232	0.6%
Administrative and support and waste management and remediation services	4,185	6.6%	2,922,454	1.4%
Retail trade	3,368	5.3%	4,723,071	2.3%
Educational services	2,848	4.5%	5,492,778	2.7%
Accommodation and food services	2,774	4.4%	5,307,961	2.6%
Construction	2,282	3.6%	2,795,504	1.4%
Transportation and warehousing	2,273	3.6%	2,029,103	1.0%
Information	1,930	3.0%	9,274,157	4.5%
Finance and insurance	1,475	2.3%	116,829,170	57.0%
Wholesale trade	639	1.0%	4,435,459	2.2%
Manufacturing	380	0.6%	313,949	0.2%
Management of companies and enterprises	149	0.2%	1,073,222	0.5%
Utilities	75	0.1%	1,950,106	1.0%
Agriculture, forestry, fishing and hunting	41	0.1%	1,906	0.0
Industries not classified	34	0.1%	2,861	0.0
Mining, quarrying, and oil and gas extraction	11	0.0	3,790	0.0
Other services (except public administration)	7,041	11.1%	770,035	0.4%

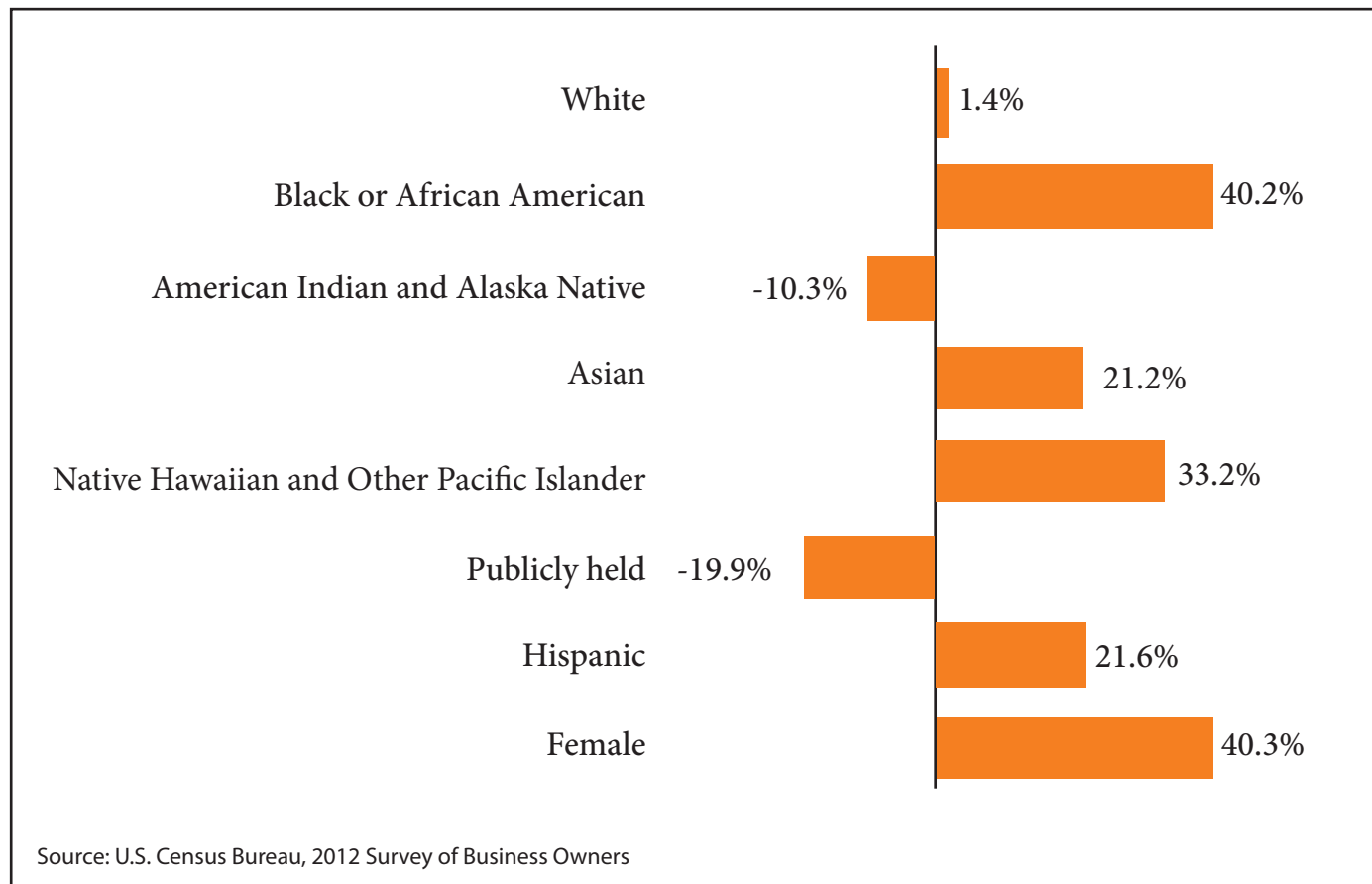
Source: U.S. Census Bureau, 2012 Survey of Business Owners

Growth in Number of Businesses by Demographic Characteristics of Business Owners: 2007 to 2012

Between 2007 and 2012, the total number of businesses in the District increased by 13.5 percent. However, growth rates of businesses varied by demographic characteristics of business owners. The number of women-owned businesses increased by 40.3 percent and the number of Black or African American-owned businesses increased by 40.2 percent.

Between 2007 and 2012, the number of minority-owned businesses increased by 33.2 percent. The number of Hispanic-owned business increased by 21.6 percent and the number of Asian-owned businesses increased by 21.1 percent. The number of White-owned businesses in the District increased slightly by 1.4 percent, while the number of American Indian and Alaska Native-owned business declined by 10.3 percent and the number of public held and other firms not classifiable by gender, ethnicity, race and veteran status declined by 19.9 percent (Figure 3).

Figure 3. District of Columbia Businesses Percent Change by Business Owners: 2007 to 2012



Growth in the Number of Businesses by Industry: 2007 to 2012

Growth in the number of businesses in the District also varied by industry during the 2007 to 2012 period. Utilities experienced the highest growth rate at 78.6 percent, followed by Accommodation and food services (22.1 percent), Administrative and support and waste management and remediation services (20.6 percent), manufacturing (19.9 percent), and Health care and social assistance (18.4 percent). On the other hand, finance and insurance declined by 12.3 percent between 2007 and 2012. Similarly, businesses in management of companies and enterprises declined by 5.7 percent (Table 3).

Table 3. All Businesses by Industry: 2007 and 2012

Industry	Number of Businesses		Change 2007 to 2012	
	2012	2017	Number	Percent
Total for all sectors	63,408	55,887	7,521	13.5%
Professional, scientific, and technical services	17,935	16,624	1,311	7.9%
Health care and social assistance	6,333	5,351	982	18.4%
Real estate and rental and leasing	5,427	5,555	-128	-2.3%
Arts, entertainment, and recreation	4,466	3,947	519	13.1%
Administrative and support and waste management and remediation services	4,185	3,471	714	20.6%
Retail trade	3,368	3,035	333	11.0%
Educational services	2,848	2,594	254	9.8%
Accommodation and food services	2,774	2,272	502	22.1%
Construction	2,282	2,078	204	9.8%
Transportation and warehousing	2,273	2,235	38	1.7%
Information	1,930	2,005	-75	-3.7%
Finance and insurance	1,475	1,681	-206	-12.3%
Wholesale trade	639	571	68	11.9%
Manufacturing	380	317	63	19.9%
Management of companies and enterprises	149	158	-9	-5.7%
Utilities	75	42	33	78.6%
Agriculture, forestry, fishing and hunting	41	41	0	0.0%
Industries not classified	7,041	4,096	2,945	71.9%
Mining, quarrying, and oil and gas extraction	11	0.0	3,790	0.0
Other services (except public administration)	7,041	11.1	770,035	0.4%
Source: U.S. Census Bureau, 2012 Survey of Business Owners				

Growth in Number of Businesses with Paid Employees by Industry: 2007 and 2012

According to the 2016 District of Columbia Annual Economic Report, the District's unemployment rate was 5.5 percent in 2007 and increased to 10.4 percent in 2011 and declined to 9 percent in 2012. As shown in Table 4, the total number of businesses with paid employees in the District slightly declined by 0.2 percent between 2007 and 2012.

However, the growth rates of businesses with paid employees varied across industries. Utilities (33.3 percent), Accommodation and food services (16.4 percent), and Wholesale trade (13 percent) were the top three industry groups with significant increase.

On the other hand, Agriculture, forestry, fishing and hunting (-100 percent), manufacturing (-22.7 percent), Finance and Insurance (-20.7 percent), and Real estate and rental and leasing (-15.3 percent) were industry groups with significant decline during the 2007 to 2012 period.

Table 4. Businesses with Paid Employees by Industry: 2007 and 2012

Industry	Number of Businesses		Change 2007 to 2012	
	2012	2017	Number	Percent
Total for all sectors	13,913	13,946	-33	-0.2%
Professional, scientific, and technical services	4,205	4,128	77	1.9%
Health care and social assistance	1,699	1,699	0	0.0%
Accommodation and food services	1,855	1,594	261	16.4%
Retail trade	1,413	1,425	-12	-0.8%
Real estate and rental and leasing	691	816	-125	-15.3%
Administrative and support and waste management and remediation services	760	743	17	2.3%
Finance and insurance	514	648	-134	-20.7%
Information	478	517	-39	-7.5%
Educational services	472	516	-44	-8.5%
Construction	394	362	32	8.8%
Wholesale trade	356	315	41	13.0%
Arts, entertainment, and recreation	270	257	13	5.1%
Transportation and warehousing	160	169	-9	-5.3%
Management of companies and enterprises	149	158	-9	-5.7%
Manufacturing	109	141	-32	-22.7%
Utilities	32	24	8	33.3%
Agriculture, forestry, fishing and hunting	0	18	-18	-100.0%
Other services (except public administration)	579	607	-28	-4.6%

Source: U.S. Census Bureau, 2007 and 2012 Survey of Business Owners

